



The Commonwealth of Massachusetts

**DEPARTMENT OF
TELECOMMUNICATIONS AND ENERGY**

BAY STATE GAS COMPANY
D.T.E. 06-36

**FIRST SET OF INFORMATION REQUESTS OF THE
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

Pursuant to 220 C.M.R. § 1.06 (6)(c), the Department of Telecommunications and Energy ("Department") submits to Bay State Gas Company ("Company") the following Information Requests.

Instructions

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Company in this proceeding.

1. Each request should be answered in writing on a separate, three-hole punch page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the Company or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term "provide complete and detailed documentation" means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting workpapers.

5. The term "document" is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
6. If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. Please serve a hard copy of the responses on Mary Cottrell, Secretary of the Department, and Julie Howley Westwater, Hearing Officer, and email a copy to the D.T.E. 06-36 Email Service List.

INFORMATION REQUESTS

- DTE 1-1 In Bay State Gas Company, D.T.E. 05-27 (2005) at 356, the Department directed Bay State to "submit, for Department review, a complete proposal for monitoring the overtakes by grandfathered transportation customers that addresses the directives in D.T.E. 02-75-A, by March 31, 2006." Please discuss precisely how the Company has complied with the Department's directive.
- DTE 1-2 Has Bay State made arrangements for the necessary capacity to fulfill the supply requirements of grandfathered customers? If so, provide all details and documents related thereto. Provide all details on the cost of the supply.
- DTE 1-3 Provide a list of all grandfathered customers and include the following information: (1) the date on which the customer became grandfathered; (2) whether the customer is metered or non-metered; (3) whether the customer is considered an "essential needs" customer; and (4) describe the type of customer, e.g. school, hospital, nursing home, etc.
- DTE 1-4 For each grandfathered customer provide the data for each instance since 1999 that the customer exceeded its delivery entitlement. For each customer provide: (a) the date of each overtake; (b) the quantity of each overtake; (c) the monetary penalty assessed for each overtake including the date on which the penalty was assessed; and (d) the date on which the penalty was paid by the customer. For each instance of an overtake, indicate whether it occurred on a critical day for the

system or whether an operational flow order (“OFO”) was in place. Provide all information regarding the ratemaking treatment of the penalty dollars.

- DTE 1-5 Assuming Bay States’s proposal in this proceeding had been in place since 1999, indicate which grandfathered customers and their suppliers would have lost grandfathered status for exceeding the overtake limit on a critical day.
- DTE 1-6 Provide a list of all customers who had grandfathered status at any time and lost it by electing to be served under a firm sales service.
- DTE 1-7 Refer to Exh. BSG-1, at 3 lines 1-5. Explain what the “operational risks” are to which Bay State asserts it is subject. Define what is meant by “critical day” and “potential harm” as referred to in that statement. If “critical day” is defined differently in this context than it is in Tariff M.D.T.E. No. 35, Exh. BSG-1, Att. JAF-4 at 3-4, please explain the discrepancy.
- DTE 1-8 Refer to Exh. BSG-1, at 3, and Exh. BSG-1, Att. JAF-1. Bay State states that the Company notified all grandfathered customers of the potential for shutoff. Provide a list of all customers to whom the letter(Att. JAF-1) was sent. Describe what, if any, customer response Bay State received from this letter, and include copies of any response made in writing. Describe any reaction from marketers to the letter, and identify any meetings held between Bay State and customers and/or marketers as a result of this letter.
- DTE 1-9 Refer to Exh. BSG-1, Att. JAF-1, the letter to customers. Please state whether Bay State understands the Terms & Conditions (T&C) to be discretionary or mandatory on the assessment of the penalty. In practice, does Bay State treat the penalty provision as discretionary or mandatory? If discretionary, explain Bay State’s practices concerning imposition of the penalty or waiver of the penalty.
- DTE 1-10 Refer to Exh. BSG-1, Att. JAF-1 at 2, the letter to customers. Bay State states that the Company “...specifically reserves the right, to shut off your meter and disconnect your service from its distribution system in the event of an overtake on any day of the year, especially during peak demand periods, or for any other reason it determines the operation of its distribution system may be jeopardized.” State whether the Company has ever exercised this “right” and provide details of all such circumstances. Provide the T&C reference for this asserted “right” of the Company.
- DTE 1-11 Provide comprehensive information on any meetings, individual or group, from 1999 through the present, held by the Company with grandfathered customers and/or marketers to explain the Company’s concerns about overtakes and the

problems that overtakes cause for the distribution system. Provide any letters, documents, notes or correspondence related to the meetings.

- DTE 1-12 Refer to Exh. BSG-1, at 4. Provide all data related to the Company's "investigation of the proposed monitoring and disconnection system recommended by the Department." Provide the dates and personnel involved in the investigation and provide the results of the investigation.
- DTE 1-13 Refer to Exh. BSG-1, at 5 line 6. For which grandfathered customers does Bay State have the ability to get on-site to do a physical shutoff?
- DTE 1-14 Refer to Exh. BSG-1, at 5 lines 16-18. Provide the list of vendors offering remote load-control equipment. How did Bay State determine how many vendors were available? Describe any discussions with the vendors and indicate when the discussions took place.
- DTE 1-15 Refer to Exh. BSG-1, at 5. Provide specific reasons why Bay State believes use of Bay State personnel to perform shutoffs would be "impractical" and why a diversion of resources would be "completely inappropriate." Did Bay State investigate the feasibility of targeting customers with large volume overtakes for shutoffs or remote metering?
- DTE 1-16 Refer to Exh. BSG-1, at 5 lines 18-20. Indicate how the capital costs of \$17,000 to \$25,000 per customer and \$35 million for the entire system were derived. Provide all documentation for the cost estimates.
- DTE 1-17 Refer to Exh. BSG-1, at 6 lines 4-11. How did Bay State determine that an appropriate way to recover the cost of advanced metering systems would be through the monthly customer charge? Were any alternative mechanisms for recovery considered? Please discuss.
- DTE 1-18 Refer to Exh. BSG-1, at 6 lines 12-21. Explain the existing Company protocols for nominating, scheduling and balancing, and explain how each would have to be modified to enable the Company to shutoff customers that overtake on an unauthorized basis on a Critical Day. Do any suppliers currently nominate on a customer-specific basis or provide a predetermined allocation? Does the Company have the ability to place such a requirement on suppliers?
- DTE 1-19 Refer to Exh. BSG-1, at 7 lines 3-15. Provide the support for the statement that "Bay State cannot shutoff a customer until all intraday nomination deadlines have passed." Does Bay State have equipment that allows it to monitor the gas flow rate

to an individual customer or to a section of its distribution system for deliveries that exceed the customer's scheduled allocation for that day?

- DTE 1-20 Refer to Exh. BSG-1, at 8 lines 5-7. Clarify how "the risk of shutoff could eliminate the viability of a customer retaining its Grandfathered status."
- DTE 1-21 Refer to Exh. BSG-1, at 8 lines 9-11. Explain the basis for the statement "Bay State anticipates that there would be a groundswell of opposition among grandfathered customers upon learning that Bay State would be installing flow-control equipment."
- DTE 1-22 Refer to Exh. BSG-1, at 9 lines 12-14. Explain specifically where and how Bay State would "maintain access to capacity sufficient to meet thirty percent of the design day requirements of grandfathered loads on its system at any given point in time".
- DTE 1-23 Refer to Exh. BSG-1, at 10 lines 1-2. Explain how the capacity would be sold in secondary markets when it is not utilized by Bay State. Reconcile this statement with the statement on Exh. BSG-1, at 7 lines 14-15 that "By the time an incident can be identified, it is too late." In other words, if Bay State cannot identify when a customer is overtaking its entitlement, how can Bay State safely determine that the customer is undertaking and that capacity is available to be sold in the secondary market on any particular day?
- DTE 1-24 Refer to Exh. BSG-1, at 10 lines 6-10. Provide specific references to the changes in nominating and balancing protocols that will enable Bay State to acquire data necessary to establish unauthorized overtakes on a customer-specific basis. Explain why these protocols would not allow Bay State to monitor the overtakes of specific non-daily metered grandfathered customers.
- DTE 1-25 Refer to Exh. BSG-1, at 10 lines 13-14. If the non-daily metered grandfathered customers represent only ten percent of the load, how do overtakes by those customers threaten the reliability of Bay State's distribution system? Explain in more detail the "existing system of comparing required supplier nominations to actual supplier deliveries" for non-daily metered grandfathered customers.
- DTE 1-26 Please update Exh. BSG-1, Att. JAF-2, to include data for 2005.
- DTE 1-27 Discuss the significance, if any, of the fact that the overtakes shown on Exh. BSG-1, Att. JAF-2, occurred more often in 2001 and 2002, with only one instance each in 2003 and 2004.